

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
Connect America Fund)	WC Docket No. 10-90
)	
Universal Service Reform – Mobility Fund)	WT Docket No. 10-208

PETITION FOR WAIVER OF CORDOVA WIRELESS COMMUNICATIONS, INC.

**COMMENTS OF
ALEXICON TELECOMMUNICATIONS CONSULTING**

INTRODUCTION

Alexicon Telecommunications Consulting (Alexicon) hereby submits its Comments to the Federal Communications Commission (Commission) in response to the Commission's request for comments on the Petition for Waiver of Universal Service Rules (Petition) filed by Cordova Wireless Communications, Inc. (CWC).¹

Alexicon provides professional management, financial and regulatory services to a variety of small rate-of-return Incumbent Local Exchange Carriers (ILECs) and their affiliates who serve diverse geographical areas characterized by rural, insular or Native American Tribal Lands. These ILECs, similar to most other small rate-of-return regulated ILECs, currently provide a wide range of technologically advanced services to their customers. These companies, through participation in various State and Federal high cost funding programs, and with their continued investment in network infrastructure, are providing customers in rural, insular and Tribal areas with services equal to or greater than urban areas, and at comparable pricing. Furthermore, these ILECs have been committed to providing their customers with innovative solutions, by adapting technologies that fit rural America, including Broadband and IP-enabled services. Alexicon works for small companies in Alaska, and as such has first-hand knowledge of the high cost areas Alaska companies serve and the sometimes severe conditions under which these companies operate.

SUMMARY

Alexicon supports CWC's petition for waiver of the Commission's rule relating to the delayed phase-down of universal service support for remote areas in Alaska. CWC is a wireless Competitive Eligible Telecommunications Carrier (CETC), duly certified by the Regulatory Commission of Alaska (RCA), that serves remote and high cost areas in Alaska and whose coverage area has been designated by the FCC entirely as Native American lands. In some portions of its service area, it is the only source of voice services. CWC has provided ample

¹ Cordova Wireless Communications, Inc. Petition for Waiver filed in WC Docket 10-90, GN Docket 09-51, WC Docket 07-135, WC Docket 05-337, CC Docket 01-92, CC Docket 96-45, WC Docket 03-109; WT Docket 10-208 (October 1, 2012)

evidence to support its claim that application of this rule would be extremely detrimental to the customers it serves and to the economic conditions in the area it serves in general. Based on the evidence contained in CWC's Petition, the Commission must grant the Petition in order to provide CWC with adequate predictable support on which it can base crucial investment decisions.

I. CWC Demonstrated the Need for Support Above the Amount Allowed by 54.307(e)(3)(iv)

WCC requests a waiver of portions of 47 CFR 54.307(e)(3)(iv), which was adopted as a part of the Commission's overhaul of its universal service and intercarrier compensation rules.² Section 54.307(e)(3)(iv) provides for a delayed phase down of CETC support for those recipients providing service in remote areas of Alaska.³ CWC specifically requests a waiver of 54.307(e)(3)(iv)(B) – (E), which addresses the phase down of CETC support starting on July 1, 2015 and continuing through July 1, 2018. This rule calls for CETC support to phase down to an amount equal to 60% of CWC's baseline support amount⁴ on July 1, 2015 until such support is completely eliminated as of July 1, 2018. Of course, there is an element of unknown in the delayed phase down rule in that it is contingent upon the FCC implementing the Mobility Phase II fund.⁵ Regardless, CWC's petition is timely in that it requests waiver of 54.307(e)(3)(iv) in order to efficiently and effectively plan for future investment.

Without a waiver of 54.307(e)(3)(iv)(B)-(E), a large portion of CWC's service area will lose the only option as to a GSM-based wireless provider. Not only will CWC's customers suffer, but so will, for example, AT&T wireless customers who wish to roam while in CWC's area.⁶ This is in

² Report and Order and Further Notice of Proposed Rulemaking In the Matter of Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109; and Universal Service Reform – Mobility Fund, WT Docket No. 10-208, released November 18, 2011. (*ICC/USF Order*)

³ 54.307(e)(3)(i) defines remote areas in Alaska.

⁴ Per 54.307(e)(3)(iii), baseline support is that support in existence in June 2014

⁵ 54.307(e)(5)

⁶ Petition at 10

fact one of the issues the Commission is to consider in granting petitions for waiver – “For mobile providers, we will consider as a factor the impact on customers, including roaming customers, if a petitioner is the only provider of CDMA or GSM coverage in the affected area.”⁷ In addition, CWC showed that, based on drive tests performed throughout its service area, it is the sole provider of mobile service to a significant portion of its Cordova service area, and is only provider in its Yakutat service area.⁸ Based on these two facts alone, the Commission is justified in granting CWC’s Petition.

In addition to the above two factors, it is also clear that, absent the waiver requested, CWC’s support would not be sufficient to achieve the purposes of section 254 of the 1996 Act. According to the Petition, the impact on CWC’s net income and cash flow will be such that it will have to cease providing service on July 1, 2016. This result is clearly not in the public interest, especially considering the types of customers that rely on CWC’s service, including “the Federal Aviation Administration and its personnel, the local fishing fleet of approximately 800 boats, tourist traffic in Prince William Sound, the cruise ship industry, oil tankers, local hunters and gatherers (both Native and non-native groups), privately owned cabins, the U.S. Coast Guard, Alaska State troopers, the Alaska Department of Fish and Game, the United States Forest Service and local police.”⁹ To deprive these customers of not only personal and business communications, but also emergency communications, would place lives at risk.

II. CWC’s Yakutat Service Area

CWC was asked to provide wireless service to the area around the Borough of Yakutat and began service in July 2012. Prior to CWC’s entrance, Yakutat’s sole option for communications service was the ILEC, Alaska Communications Systems (ACS).¹⁰ It is without question that Yakutat “is one of the most isolated communities in the United States” and is reachable only by plane or boat. It represents, in short, the very meaning of high cost, remote and insular. In other words, Yakutat receiving quality voice and broadband service is one of the very reasons

⁷ ICC/USF Order at 540

⁸ Petition at 8 and Exhibit F

⁹ Petition at 11

¹⁰ According to CWC’s Petition for Designation as an Eligible Telecommunications Provider filed with the Regulatory Commission of Alaska (U-12-135), Yakutat is part of the ACS of the Northland’s Sitka Study Area.

universal service funding exists. It is also worthwhile to note that one third of the Borough of Yakutat's residents are Alaskan Natives, making CWC's wireless service continuity even more vital.

In addition to being the only mobile service provider in the Yakutat area, it is important to note that for many types of customers, including local police and first responders, State Troopers, National Park Service, U.S. Forestry Service, Transportation Security Administration, the Native Corporations, and recreational and subsistence hunters and fishermen¹¹, among others, rely on CWC's wireless service for access to emergency services. Due to the extreme high costs of serving the Yakutat area, CWC simply cannot continue providing these vital services in the absence of sufficient universal service support.

III. Service Provided to Native Alaskans is at Risk

CWC's service area entirely consists of Native American lands as defined by the FCC.¹² As a result, any harm occurring to CWC's ability to provide service in its Cordova and Yakutat coverage areas directly and adversely impacts Tribal Lands. Absent a waiver of 54.307(e)(3)(iv)(B)-(E), CWC would have to either cease providing service, or severely curtail its current service, which will in turn directly impact the wireless service being received in Tribal Lands today. This is in direct conflict with the Commission's stated goals relating to improving service in Tribal Lands, which have been adopted to recognize "the relatively low level of telecommunications deployment on Tribal lands and the distinct challenges in bringing connectivity to these areas."¹³ In this case, the Commission's rule revisions related to CETC support would have the effect of driving a provider out of the market, thus causing communications progress in Tribal Lands to move backwards.

¹¹ Petition at 12

¹² See e.g., *ICC/USF Order* at footnote 197

¹³ *ICC/USF Order* at 479 (quoting the Mobility Fund NPRM)

IV. Conclusion

Alexicon believes the Commission has ample justification to grant CWC's Petition, based on the evidence provided in the Petition, and based on the arguments presented above. CWC provides vital services in extremely high cost areas, and in many cases CWC may be the only reliable service provider available. Furthermore, CWC will be forced to discontinue its plans to serve the Yakutat area where, until July 2012, there was no mobile service available, absent Commission grant of its Petition. It is clearly not in the public interest to have CWC exit the markets that are in need of, and are indeed utilizing, its vital wireless services.

Respectfully Submitted,

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